

Ex A

(14 OF 14)

Pay Once

Enhanced Value Annuity Option
(Cont'd)

Enhancements

- 1% above current credited rate (1st year only)
- Payment:
 - ♦ 2% on single payments of \leq \$25,000
 - ♦ 3% on single payments $>$ \$25,000
- Surrender charges waived at later of 59 1/2 or 4th contract year



Industry Response
Summary

Florida Life Ltd

Option	Death Benefit	Cost
Life Insurance (Pay More)	New	Increased
Loan (Pay More)	Reduced	Increased
Annuity (Pay Once)	None (Possibly)	None



Accelerated Payment

Current Situation

- Expectations Not Met
 - ♦ Sales Rep } "My client will pay X
 - ♦ Customer } premium for Y years."
- Reason → Market Forces
 - ♦ Declining Interest Rates
 - ♦ Expenses

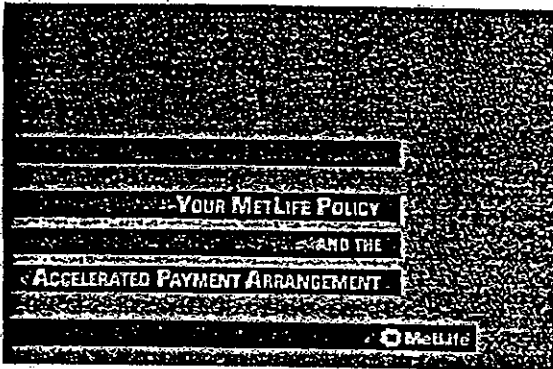
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AP Issue

MetLife's Action Plans

- Educate reps/customers
- Provide options to facilitate trade-offs



*Reviewing Your Whole Life Policy
(From Trackbook)*

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*Whole Life Insurance—A Choice
to Last a Lifetime
(From Trackbook)*

*The Accelerated Payment
Arrangement
(From Trackbook)*

*How Dividends Are Determined
(From Trackbook)*

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*Dividends Are The MetLife
Portfolio
(From Trackbook)*

*Dividends — A Long-term View
(From Trackbook)*

AP Issue

MetLife's Action Plans

- Educate reps/customers
- Provide options to facilitate trade-offs

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AP Issue Options

Principle


- All customers are **NOT** equal

Irate Guy



"I want to pay X Premium for Y years"

Not So Irate Guy



"I'd rather pay X Premium for Y years, but what are my options?"

AP Issue

Current Options

- Pay full premium
- APL
- Elect "Dividends to Reduce"
- Elect nonforfeiture provision
 - ♦ Extended term
 - ♦ Reduced paid-up
- Wait and see
- Lapse

Payment Options
(From Trackbook)

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Payment Options (Cont'd)
(From Trackbook)

AP Issue
Options
Irate Guy

Pay None



Reduce Face

Wait and See

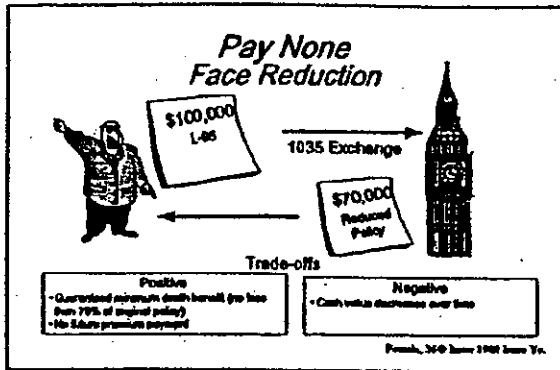
Pay None
Reduce Face
2 Choices

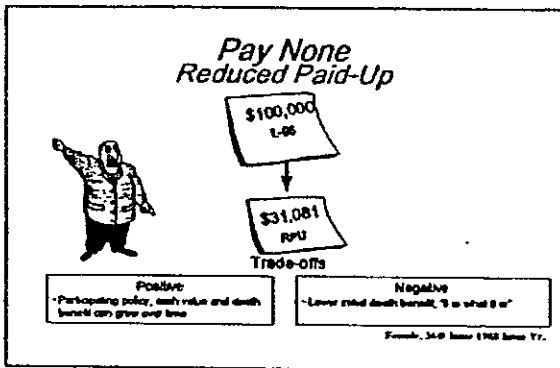
Face Reduction

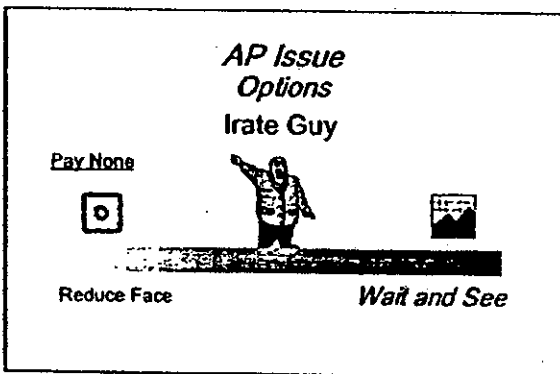
Reduced Paid-Up
(Nonforfeiture)

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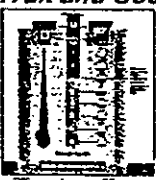


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**Pay None — No Out-of-Pocket
Outlay Required
(From Trackbook)**

**Pay None
Wait and See**



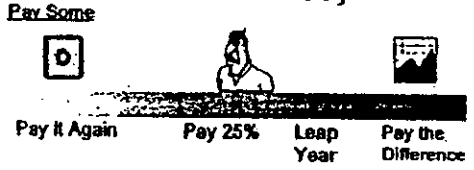
Trade-offs

Positive - Market forces could yield dividend scale increase; no out-of-pocket payments needed	Negative - Total out-of-pocket payment could be more if dividend scale doesn't increase
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**AP Issue
Options**

Not So Irrate Guy

Pay Some



Pay It Again Pay 25% Leap Year Pay the Difference

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*Pay Some — Out-of-Pocket
Outlay Required
(From Trackbook)*

*Pay Some — Out-of-Pocket
Outlay Required (Cont'd)
(From Trackbook)*

MetLife's AP Program

Coming September 1!

**The Same Illustrative and
Administrative Support for Your Inforce
That You Now Have for New Business**

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MetLife's AP Program The Value to You

- Rep Driven
- Information to you before your client
- Household Information
- New options:
 - ◆ Reduce Face
 - ◆ Pay Some
 - ◆ Leap Year
- Existing options now easier to use

Request Form

Policy No. _____		Agent _____
Insured's Name _____		Policyholder's Name _____
<p>Pay None</p> <p><input type="checkbox"/> "Wait and See"—I understand my policy values might not be sufficient to pay all this option I won't ever have to pay another premium out-of-pocket for this coverage. I understand that once reduced, I cannot reinstate coverage under this policy and that</p> <p><input type="checkbox"/> "Reduce Face"—I elect to exchange my policy for a non-participating Single</p>		
<p>Pay Some</p> <p><input type="checkbox"/> "Pay Full"—I elect to pay the new annual premium(s) for the above policy out-of-pocket. to reduce the amount of annual premium I pay each year and to pay the balance of my annual premium(s) for the above policy out-of-pocket.</p> <p><input type="checkbox"/> "Pay Part"—I elect to pay _____ of my annual premium. <input type="checkbox"/> "Pay Every 5 Years"—I elect to pay annual premiums for the above policy out-of-pocket.</p>		

Insured Life: LIFE PAID UP AT 65				
Insured MALE 25 PREFERRED N-SM	State: OH	Policy on AP Arrangement Policy # 674000000		
Face Amount \$250,000		Issue Date 03/13/1997		
Existing Option: Additional Insurance		Enter "X" to CANCEL		
<table border="1"> <tr> <th>AP Options</th> </tr> <tr> <td> Pay None 1. Wait and See 2. Reduce Face Pay Some Options: 3. Cancelled Future AP year 4. Error "Excess AP year" 5. Pay the difference 6. Solve for level amount of premium 7. Pay each Leap Year (every 4th year) Maximum Value Option 8. Pay Full Ledger </td> </tr> </table>			AP Options	Pay None 1. Wait and See 2. Reduce Face Pay Some Options: 3. Cancelled Future AP year 4. Error "Excess AP year" 5. Pay the difference 6. Solve for level amount of premium 7. Pay each Leap Year (every 4th year) Maximum Value Option 8. Pay Full Ledger
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DIST:XXXX		AGENCY:MM		STATE	
PREPARED FOR JOHN DOE					
PLAN: LIFE PAID-UP AT 85			POLICY # 870 283 727FR		
			ISSUE DATE: 2/12/87		
CLASSIFICATION	ISSUE AGE	SEX	INITIAL AMOUNT OF INSURANCE		
PREFERRED NONSMOKER	25	M	\$250,000		
			PREMIUM MODE: ANNUAL		
			ANNUAL PREMIUM	YEARS PAYABLE	
			FROM DATE OF ISSUE		
BASIC POLICY	\$2,917.30	70			
DISABILITY WAIVER	\$5.00	40			
ACCIDENTAL DEATH BENEFIT	134.75	45			
TOTAL PREMIUM	\$2,907.25				
ADDITIONAL INSURANCE BALANCE AS OF 3/10/87:			\$30,328.80		

THE ILLUSTRATIVE VALUES THAT FOLLOW ARE BASED ON THE 1997 DIVIDEND SCALE AND ARE NOT GUARANTEED.

Pay None **WAIT & SEE**
NON-GUARANTEED VALUES

ANNUAL DIVIDENDS USED TO PURCHASE PAID-UP ADDITIONAL INSURANCE

END OF POLICY YEAR	PREMIUM DUTY	AMOUNT WITHDRAWN	ANNUAL DIVIDENDS	CASH VALUE OF ADDITIONAL INSURANCE	CASH VALUE	DEATH BENEFIT
11	NONE	2,808	1,792	5,078	17,128	261,183
12	NONE	2,808	1,792	5,082	18,062	261,335
13	NONE	2,808	1,890	4,272	18,772	278,468
14	NONE	2,808	1,997	3,981	20,561	272,853
15	NONE	2,808	2,507	3,887	22,147	267,536
16	NONE	2,808	2,225	2,328	23,859	263,385
17	488	2,320	2,350	2,350	26,106	262,942
18	458	2,350	2,487	2,487	28,737	263,875
19	328	2,487	2,627	2,627	31,377	262,186
20	180	2,627	2,785	2,785	34,035	263,350
21	25	2,785	2,950	2,950	36,800	263,512
22	NONE	2,808	3,042	3,183	38,943	263,842
23	NONE	2,808	3,125	3,343	42,943	264,835
AGE 65	NONE	2,808	5,827	36,884	142,834	332,851

Pay None **REDUCE FACE**
NON-PARTICIPATING

END OF POLICY YEAR	COST OF INSURANCE	ANNUAL DIVIDENDS	CASH VALUE OF ADDITIONAL INSURANCE	CASH VALUE	DEATH BENEFIT
11	453.78	0	0	17,128	167,800
12	464.15	0	0	17,220	167,500
13	520.80	0	0	17,801	167,500
14	563.46	0	0	17,808	167,500
15	618.33	0	0	17,750	167,500
16	667.53	0	0	17,775	167,500
17	724.74	0	0	17,781	167,500
18	784.08	0	0	17,888	167,500
19	833.89	0	0	17,841	167,500
20	878.09	0	0	17,213	167,500
21	908.53	0	0	17,808	167,500
22	1,087.34	0	0	16,821	167,500
23	1,151.28	0	0	16,131	167,500
AGE 65	4,247.54	0	0	6,290	167,500

* Non-guaranteed values can increase the cash value

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Pay None **REDUCED PAID-UP**
PARTICIPATING-NON-GUARANTEED VALUES

END OF POLICY YEAR	ANNUAL DIVIDENDS	CASH VALUE OF ADDITIONAL INSURANCE	TOTAL CASH VALUE	DEATH BENEFIT
11	519.87	830.80	17,528	103,379
12	566.34	1,148.22	16,769	107,918
13	613.37	1,708.27	16,889	110,817
14	663.84	2,462.20	21,166	114,079
15	726.28	3,398.34	22,899	117,889
16	791.84	4,122.80	24,029	121,373
17	845.31	5,147.44	25,889	125,130
18	912.81	6,216.91	26,889	128,028
19	983.37	7,387.06	28,452	132,739
20	1,055.82	8,685.80	30,383	138,706
21	1,138.29	10,066.23	32,409	140,872
22	1,222.56	11,854.35	33,913	144,486
23	1,304.45	13,183.89	36,512	148,738
AGE 65	3,354.64	43,751.90	80,589	212,894

Pay Some **NATURAL AP YEAR=PAY 1**
NON-GUARANTEED VALUES

ANNUAL DIVIDENDS USED TO PURCHASE PAID-UP ADDITIONAL INSURANCE

END OF POLICY YEAR	PREMIUM OUTLAY	AMOUNT WITHDRAWN	ANNUAL DIVIDENDS	CASH VALUE OF ADDITIONAL INSURANCE	CASH VALUE	DEATH BENEFIT
11	NONE	2,808	1,702	5,879	17,128	283,183
12	2,808	NONE	1,782	8,031	21,851	306,174
13	NONE	2,808	1,890	7,434	22,434	299,236
14	NONE	2,808	1,997	8,906	23,808	291,850
15	NONE	2,808	2,107	6,434	25,704	286,921
16	NONE	2,808	2,225	8,081	27,591	285,188
17	NONE	2,808	2,350	8,830	28,540	282,111
18	NONE	2,808	2,487	8,894	31,859	279,808
19	NONE	2,808	2,627	5,879	34,428	277,548
20	NONE	2,808	2,785	6,825	37,875	277,838
21	NONE	2,808	2,958	6,943	40,143	278,140
22	NONE	2,808	3,042	6,571	43,321	278,788
23	NONE	2,808	3,135	7,114	46,914	281,137
AGE 65	NONE	2,808	5,827	47,357	151,107	350,859

Pay Some **DESIRED AP YEAR=PAY 3**
NON-GUARANTEED VALUES

ANNUAL DIVIDENDS USED TO PURCHASE PAID-UP ADDITIONAL INSURANCE

END OF POLICY YEAR	PREMIUM OUTLAY	AMOUNT WITHDRAWN	ANNUAL DIVIDENDS	CASH VALUE OF ADDITIONAL INSURANCE	CASH VALUE	DEATH BENEFIT
11	NONE	2,808	1,702	6,879	17,128	283,183
12	2,808	NONE	1,782	8,031	21,851	306,174
13	2,808	NONE	1,890	10,412	25,412	319,346
14	2,808	NONE	1,997	13,044	30,844	332,834
15	NONE	2,808	2,107	12,884	32,314	328,480
16	NONE	2,808	2,225	12,880	34,480	325,007
17	NONE	2,808	2,350	13,144	36,384	322,382
18	NONE	2,808	2,487	13,437	38,867	328,433
19	NONE	2,808	2,627	13,885	42,853	318,879
20	NONE	2,808	2,785	14,808	45,758	319,500
21	NONE	2,808	2,958	15,331	48,331	320,223
22	NONE	2,808	3,042	16,388	53,028	321,317
23	NONE	2,808	3,135	17,368	58,888	322,800
AGE 65	NONE	2,808	6,827	71,736	175,480	402,484

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Pay Some

PAY THE DIFFERENCE
NON-GUARANTEED VALUES

END OF POLICY YEAR	GUARANTEED CONTRACT PREMIUM	ANNUAL DIVIDENDS	PREMIUM OUTLAY AFTER PRIOR YEAR DIVIDEND	CASH VALUE	DEATH BENEFIT
11	2,808	1,702	NONE	17,128	282,264
12	2,808	1,702	1,195	18,224	282,791
13	2,808	1,890	1,015	21,583	283,230
14	2,808	1,997	919	25,987	283,682
15	2,808	2,197	819	28,840	284,141
16	2,808	2,225	799	30,328	284,611
17	2,808	2,359	883	32,046	285,082
18	2,808	2,487	958	33,034	285,560
19	2,808	2,527	329	34,046	286,044
20	2,808	2,785	160	41,085	286,519
21	2,808	2,868	23	44,918	287,157
22	2,808	2,842	NONE	47,840	287,825
23	2,808	2,115	NONE	50,548	288,088
AGE 65	2,808	5,827	NONE	129,189	297,737

Pay Some

SOLVE FOR LEVEL PREMIUM
NON-GUARANTEED VALUES

END OF POLICY YEAR	CONTRACT PREMIUM	AMOUNT WITHDRAWN	PREMIUM OUTLAY	ANNUAL DIVIDEND	CASH VALUE	DEATH BENEFIT
11	2,808	2,808	141	1,702	17,128	282,183
12	2,808	2,867	141	1,782	18,201	282,381
13	2,808	2,867	141	1,890	19,590	282,525
14	2,808	2,867	141	1,997	21,628	282,581
15	2,808	2,867	141	2,107	23,802	282,582
16	2,808	2,867	141	2,225	24,884	282,589
17	2,808	2,867	141	2,350	26,827	282,549
18	2,808	2,867	141	2,487	28,861	282,533
19	2,808	2,867	141	2,627	31,425	282,427
20	2,808	2,867	141	2,785	34,046	282,387
21	2,808	2,867	141	2,850	37,085	282,135
22	2,808	2,867	141	3,042	40,236	282,285
23	2,808	2,867	141	3,115	43,502	282,736
AGE 65	2,808	2,867	141	5,827	147,573	342,148

Pay Some

PAY EACH LEAP YEAR
NON-GUARANTEED VALUES

END OF POLICY YEAR	CONTRACT PREMIUM	AMOUNT WITHDRAWN	PREMIUM OUTLAY	ANNUAL DIVIDEND	CASH VALUE	DEATH BENEFIT
11	2,808	2,808	NONE	1,702	17,128	282,183
12	2,808	NONE	2,808	1,782	21,034	282,174
13	2,808	2,808	NONE	1,890	22,453	282,538
14	2,808	2,808	NONE	1,997	25,983	283,213
15	2,808	2,808	NONE	2,107	28,764	283,975
16	2,808	NONE	2,808	2,225	30,587	282,345
17	2,808	2,808	NONE	2,350	32,734	282,480
18	2,808	2,808	NONE	2,487	35,389	282,469
19	2,808	2,808	NONE	2,627	37,987	282,259
20	2,808	NONE	2,808	2,785	43,791	318,119
21	2,808	2,808	NONE	2,850	47,240	318,067
22	2,808	2,808	NONE	2,842	50,838	311,876
23	2,808	2,808	NONE	2,115	54,880	313,053
AGE 65	2,808	NONE	2,808	5,827	192,791	438,361

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Pay Some **PAY FULL LEDGER**
NON-GUARANTEED VALUES

ANNUAL DIVIDENDS USED TOWARDS PAYMENT OF PREMIUM


END OF POLICY YEAR	PREMIUM OUTLAY	ANNUAL DIVIDENDS	TOTAL ADDL. PLS PURCHASED BY DIVIDENDS	CASH VALUE	DEATH BENEFIT
11	2,800	1,732	40,183	17,138	235,140
12	2,800	1,732	88,174	21,881	308,174
13	2,800	1,886	89,348	26,812	316,379
14	2,800	1,997	82,834	30,844	332,834
15	2,800	2,107	98,802	36,182	346,802
16	2,800	2,223	116,408	40,808	360,488
17	2,800	2,467	138,013	46,837	374,885
18	2,800	2,827	153,727	52,885	388,811
19	2,800	2,786	168,798	58,886	418,768
20	2,800	2,886	184,137	64,386	434,737
21	2,800	2,842	199,484	62,318	448,684
22	2,800	2,121	211,874	60,885	461,804
AGE 65	2,800	5,827	488,611	332,592	738,411

Summary @ Age 65


Option	Non-Guaranteed Death Benefit	Cash Value
Wait & See	\$332,651	\$142,634
Reduce Face	\$187,500	\$4,250
Reduced PU	\$213,984	\$80,590
Natural AP	\$350,659	\$151,107
Desired AP	\$402,464	\$175,480
Pay the Difference	\$297,737	\$129,189
Level Premium	\$343,148	\$147,573
Leap Year	\$439,261	\$192,791
Full Ledger	\$736,411	\$332,592

AP Program
Face Reduction Option
Tradeoffs


<ul style="list-style-type: none"> -All Life Plans -75% Guarantee -1.9 Million Policies 	<ul style="list-style-type: none"> -All Life Plans -75% Guarantee -Premiums Paid at Least 7-11 years -1 Million Policies 	<ul style="list-style-type: none"> -L95 -70% Guarantee -Premiums Paid in Full at Least 7-11 years -173,000 Policies
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\$1.9 Billion Potential Reserve Strain



\$1.0 Billion Potential Reserve Strain



\$530 Million Potential Reserve Strain

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The Next Steps

- Field Release (draft completed)
- Track Book (completed)
- Bills and Statements will reflect the option selected
- Roll-out
 - ◆ State Approvals
 - ◆ Conference Calls
 - ◆ Training Meeting
 - ◆ Illustration Capability

MP4011071001

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Ex 46

Frank Lynch
Senior Vice-President
ILL Customer Services

Re "Collapse Date Notification" - Accelerated Premium Payment

Frank, I have just reviewed the October 25th release to the Field on;
Accelerated Payment (AP) Arrangement Customer Communications

I hate to keep beating a dead horse but I am sorely disappointed. As the records will show, based on all the customer feedback we were getting about three years ago, I recommended that the Company take *immediate action* to address the Accelerated Payment issue with our policyholders. The result has been that it has taken the Company the best part of three years to begin to deal with this problem with *specific* affected policyholders. This action is outlined in the above release and, based on the "re" line, the Company apparently believes it is now "*communicating*" this issue to some of its affected customers. This communication consists of an innocuous statement on the billing document that will be confusing at best or will enrage those who believe they have been misled.

Of real concern is the fact that the Company is not fully addressing the problem. It is only notifying (not explaining to) those policyholders whose AP arrangement is going to cease within the next *five* years. The Company's failure to notify the entire 25% of the AP policyholders whose policies would currently be ineligible based on current AP calculations seems indefensible. I recognize that the Company has tried to address the AP issue in general terms with its policyholders through *MetLife Outlook* and other communications. But, we have not attacked the problem directly by going straight to those specific policyholders who we know are at risk. And, part of the problem is the fact that since the AP arrangement was never properly explained to the policyholder in the first place, he or she may not realize the Company is talking about them in some of the general communications.

The AP Natural Work Team offered several proposals to deal with specific policyholders. One proposal suggested notifying all 93,000 policyholders currently on the AP arrangement and I believe giving them the specifics for their policy. There was at a projected cost of \$150,000 and I'm led to believe the cost was a consideration for not doing it. While this approach excludes all those policyholders *currently expecting* their policies to be "*paid-up*" in the near future, it would have at least addressed those whose AP arrangement is currently projected to fail at some future date. If cost was the reason for not doing it, it seems to me that \$150,000 could wind up being an insignificant amount in light of some of the judgements currently being awarded associated with *vanishing premium* cases.

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And, the Company's failure to deal with the whole spectrum of potential AP misrepresentation is only going to prolong the agony. At this pace, our Customer Service Representatives and Consumer Relations areas will *never* be able to get out from under these difficult calls and complaints. Is the intent to pray that if we address it a little at a time we are at less risk? Somehow I don't think that strategy is going to work. Considering all the current lawsuits associated with *vanishing premiums*, it only increases the length of time the Company is vulnerable to once again being brought to its knees by some future class action suit or renegade Insurance Commissioner. And, any such action will once again demoralize the entire Field Force, customer service organization and the CSRs who have to live through it.

The Company should make no mistake about it, as I graphically illustrated several years ago from our phone calls, many of our representatives *DID* misrepresent AP to our customers. Applicants or policyholders were told their policies would be "*paid-up*" in "X" years with no further premiums required. Some of this may have been done out of ignorance, a lack of training or knowledge, but, whatever the reason, . . . *it was done* and the Company needs to recognize and address that fact.

And, as we now know, this was the terminology and tactic used to sell these policies throughout the industry. Yet, in spite of our educational efforts, the Company is going forward on a very limited basis with our *known* AP problem policyholders. This is being done in an environment where other insurance companies are having judgements against them right and left for real and alleged misrepresentations associated with *vanishing premiums*. *Do we not run a far greater risk of lawsuits, heavy fines or actions forced by some state Insurance Department by failing to deal with this issue head on????*

We have now lowered our dividend scale for 1996. This probably means that the 25% figure is now low. And, we don't know how many are still out there "*waiting and expecting*" to be eligible on some future date that isn't going to happen. The lower dividend scale is going to further exacerbate the AP problem and will make it even more difficult to deal with our policyholders. The Company has lowered it at a time when, in the eyes of the policyholder, we should be raising it. The stock market has gone crazy, interest rates are up, and most investments would appear to be recovering.

Had we addressed this problem three years ago, it would have been much easier for the customers to accept that the economy was a major factor in our *Accelerated Payment* problems. The Customer Service Centers were far more successful in appeasing even misrepresented policyholders at that time by adequately explaining AP and the relationship between dividends and the economy. But, the Service Centers have really only been dealing with those policyholders who are expecting their policies to *become eligible* for AP. Now, we will begin dealing with those policyholders whose policies are *currently on AP* as well as those *who are expecting* their policies to go on AP at some future date.

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Even though we are only addressing a small piece of the affected customer base, this current communication was obviously not considered from a customer perspective. The one statement "*Your dividends will pay the premiums until —*" is hardly an explanation to those policyholders who are most likely under the impression that he or she *will never have to pay another premium*. And, as much as some people might like to believe our representatives will be out there to explain it, I think history tells us it won't happen. Most of the reps involved in the sales are long gone and those who are there won't want to deliver this kind of bad news to anyone. It is the Customer Service Representatives who will eventually get these calls.

The lower dividend scale for 1996 will undoubtedly give us a new wave of *Accelerated Payment* complaints a few years from now when we don't meet those dates. Like it or not, our reps did mislead policyholders. If the Company intends to be *World Class*, the customer service organization needs to compensate for our reps by ensuring that, as a Company, we *communicate effectively* with our policyholders and that we *educate* them. One or two sentences on a billing document hardly qualifies.

Perhaps now that I'm back in the real world most of the time, I find my skepticism is returning. It is still my perception that in ILI, customer service interactions are viewed primarily as an expense versus being an opportunity or an investment in the Company's future. I believe Kathy Schoos brought this point home very well in her excellent response to Larry Baum's LOMA study comparisons. As she so eloquently pointed out to Larry, ILI's administrative mentality still seems to be that a *three minute phone call has to be better* than a *four minute phone call*. The assumption always seems to be that cheaper has to be better. It seems that little or no consideration is given to the value of spending a little time trying to actively *educate* our customers or trying to *build a relationship*. And, enhancing our efforts to generate even greater numbers of sales opportunities is going to add time. At a time when our existing customer base would appear to be critical to the Company's future livelihood, constant focus on the expense side or "*numbers*" is a very shortsighted philosophy.

It is also totally contrary to the Company's stated *Market Reach Strategy to Build Customer Relationships through Service - Education & Trust*. The Company's approach to handling *Accelerated Payment* is not service, does not educate and will not create trust. This, and failure to develop a genuine customer focus that permeates the entire organization, will only serve as evidence to those on the front lines with the customer that while the Company may talk the talk, it's not walking the walk.

After the devastation the call centers experienced as a result of the publicity, restoration and restitution, we have recovered. All of us want to put that unfortunate part of MetLife's history behind us. MetLife Express appeared to provide hope and evidence that MetLife is going to change. But, if we don't put *all* of our bad experience behind us, making a complete transformation to a customer focused Company is going to be exceedingly difficult or impossible. Our Customer Service Representatives will be among the first to know whether the change is real or not. They will be taking the phone calls and complaints over the coming years. And, if they don't sense that the Company is seriously addressing these issues with genuine customer focus, all the rhetoric about MetLife becoming a *World Class* customer service organization will be just that.

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After Phase 2, I was excited and optimistic. I walked away from my five months on MetLife Express walking on a cloud with high hopes and high expectations for the Company and for Individual Life Insurance. For the first time in a long time I had a sense of renewed hope and enthusiasm that the *value and opportunity* associated with the delivery of customer service was finally being recognized. Everything I saw and heard during our CMO presentations and interactions told me that the most senior management of this Company really did want to change MetLife. I sincerely believe they want all the customer service organizations to be genuine advocates for the customer and become the model for the industry with respect to the delivery of customer service.

I continue to have a strong sense that the very senior management of this Company does want the change. So does the bottom. Everywhere I went and continue to go around the Company, the "front lines" are eager and ready for change. They recognize that, as a Company, we must change. But now, as I have time to reflect on it, perhaps the Company has bitten off more than it can chew. Creating an entire organization that is genuinely customer focused and driven to action based on customer needs will be a monumental challenge for this Company. This would be an outstanding achievement if it were the only MetLife Express initiative. But, when you really get inside the ILI organization, there is just so much history and culture to overcome that I really don't know if it can be accomplished.

For years within ILI, the marketing organization was the center of its universe. The Field drove most of the major actions taken. The needs or wants of the customer usually wound up pretty far down on the priority list. If ILI is to survive, and hopefully flourish, we must make *the customer* the center of the universe. But, this will require a totally new culture and mindset and so much of the organization is so far removed from the customers that they cannot properly relate to the issues at hand. The entire administrative and systems organization and its associated culture must develop a real commitment to the customer and the delivery of a dramatically higher level of customer service.

In Phase 2, I thought MetLife Express did a good job of outlining why this must happen and the benefits associated with it. But, consolidation, new technologies or even a new organization will not bring all the needed changes. For an organization to change, *the people in it must change* and I don't see that MetLife Express has the power to make that happen. From my vantage point, the approach the Company has taken to AP would appear to be testimony to the fact that the Company has a very long way to go towards achieving a real customer focus and meeting the customer service challenge.

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cc Gardner & Tweedie